

## REFERENCE NOTES

**Variable Interest Rate:**

- Your loan has a variable Interest Rate that is based on a publicly available index, the London Interbank Offered Rate (LIBOR), which is currently 4.375%. Your rate is calculated each month by adding a margin of 3% to the LIBOR.
- The Interest Rate may be higher or lower than your Annual Percentage Rate (APR) because the APR considers certain fees you pay to obtain this loan, the Interest Rate, and whether you defer (postpone) payments while in school.
- The rate will not increase more than once a month, but there is no limit on the amount that the rate could increase at one time. Your rate will never exceed 25%.
- If the Interest Rate increases your monthly payments will be higher.

**Bankruptcy Limitations**

- If you file for bankruptcy you may still be required to pay back this loan.

**Repayment Options:**

- Although you elected to postpone payments, you can still make payments while you are in school. You can also choose to change your deferment choice to: Pay Interest Only or Make Full Payments. More information about repayment deferral or forbearance options is available in your loan agreement.

**Prepayments:**

- If you pay the loan off early, you will not have to pay a penalty. You will not be entitled to a refund of part of the finance charge.

See your loan agreement for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

## H–17(A) DEBT SUSPENSION MODEL CLAUSE

Please enroll me in the optional [insert name of program], and bill my account the fee of [insert charge for the initial term of coverage]. I understand that enrollment is not required to obtain credit. I also understand that depending on the event, the protection may only temporarily suspend my duty to make minimum payments, not reduce the balance I owe. I understand that my balance will actually grow during the suspension period as interest continues to accumulate.

[To Enroll, Sign Here]/[To Enroll, Initial Here]. X \_\_\_\_\_

## H–17(B) DEBT SUSPENSION SAMPLE

Please enroll me in the optional [name of program], and bill my account the fee of \$200.00. I understand that enrollment is not required to obtain credit. I also understand that depending on the event, the protection may only temporarily suspend my duty to make minimum payments, not reduce the balance I owe. I understand that my balance will actually grow during the suspension period as interest continues to accumulate.

To Enroll, Initial Here. X \_\_\_\_\_

[46 FR 20892, Apr. 7, 1981, as amended at 46 FR 29246, June 1, 1981; 52 FR 52 FR 48671, Dec. 24, 1987; 53 FR 467, Jan. 7, 1988; Reg. Z, 60 FR 15473, Mar. 24, 1995; 61 FR 49247, Sept. 19, 1996; 62 FR 63444, 63445, Dec. 1, 1997; 62 FR 66179, Dec. 17, 1997; Reg. Z, 63 FR 2723, Jan. 16, 1998; 66 FR 65618, Dec. 20, 2001; 74 FR 41236, Aug. 14, 2009; 75 FR 7845, Feb. 22, 2010; 75 FR 58484, Sept. 24, 2010]

APPENDIX I TO PART 226—FEDERAL  
ENFORCEMENT AGENCIES

The following list indicates which federal agency enforces Regulation Z for particular classes of businesses. Any questions concerning compliance by a particular business should be directed to the appropriate enforcement agency. Terms that are not defined in the Federal Deposit Insurance Act (12 U.S.C. 1813(s)) shall have the meaning given to them in the International Banking Act of 1978 (12 U.S.C. 3101).

*National banks and federal branches and  
federal agencies of foreign banks*

District office of the Office of the Comptroller of the Currency for the district in which the institution is located.

*State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act*

Federal Reserve Bank serving the district in which the institution is located.

## Federal Reserve System

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### *Non-member insured banks and insured state branches of foreign banks*

Federal Deposit Insurance Corporation Regional director for the region in which the institution is located.

SAVINGS INSTITUTIONS INSURED UNDER THE SAVINGS ASSOCIATION INSURANCE FUND OF THE FDIC AND FEDERALLY CHARTERED SAVINGS BANKS INSURED UNDER THE BANK INSURANCE FUND OF THE FDIC (BUT NOT INCLUDING STATE-CHARTERED SAVINGS BANKS INSURED UNDER THE BANK INSURANCE FUND).

Office of Thrift Supervision Regional Director for the region in which the institution is located.

### FEDERAL CREDIT UNIONS

Regional office of the National Credit Union Administration serving the area in which the Federal credit union is located.

### AIR CARRIERS

Assistant General Counsel for Aviation Enforcement and Proceedings, Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590.

### CREDITORS SUBJECT TO PACKERS AND STOCKYARDS ACT

Nearest Packers and Stockyards Administration area supervisor.

FEDERAL LAND BANKS, FEDERAL LAND BANK ASSOCIATIONS, FEDERAL INTERMEDIATE CREDIT BANKS AND PRODUCTION CREDIT ASSOCIATIONS.

Farm Credit Administration, 490 L'Enfant Plaza, SW., Washington, DC 20578.

RETAIL, DEPARTMENT STORES, CONSUMER FINANCE COMPANIES, ALL OTHER CREDITORS, AND ALL NONBANK CREDIT CARD ISSUERS (CREDITORS OPERATING ON A LOCAL OR REGIONAL BASIS SHOULD USE THE ADDRESS OF THE FTC REGIONAL OFFICE IN WHICH THEY OPERATE.)

Division of Credit Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580.

[Reg. Z, 46 FR 20892, Apr. 7, 1981, as amended at 50 FR 8708, Mar. 5, 1985; 54 FR 53539, Dec. 29, 1989; 56 FR 51322, Oct. 11, 1991; 57 FR 20400, May 13, 1992]

## APPENDIX J TO PART 226—ANNUAL PERCENTAGE RATE COMPUTATIONS FOR CLOSED-END CREDIT TRANSACTIONS

### (A) INTRODUCTION

(1) Section 226.22(a) of Regulation Z provides that the annual percentage rate for other than open end credit transactions shall

be determined in accordance with either the actuarial method or the United States Rule method. This appendix contains an explanation of the actuarial method as well as equations, instructions and examples of how this method applies to single advance and multiple advance transactions.

(2) Under the actuarial method, at the end of each unit-period (or fractional unit-period) the unpaid balance of the amount financed is increased by the finance charge earned during that period and is decreased by the total payment (if any) made at the end of that period. The determination of unit-periods and fractional unit-periods shall be consistent with the definitions and rules in paragraphs (b) (3), (4) and (5) of this section and the general equation in paragraph (b)(8) of this section.

(3) In contrast, under the United States Rule method, at the end of each payment period, the unpaid balance of the amount financed is increased by the finance charge earned during that payment period and is decreased by the payment made at the end of that payment period. If the payment is less than the finance charge earned, the adjustment of the unpaid balance of the amount financed is postponed until the end of the next payment period. If at that time the sum of the two payments is still less than the total earned finance charge for the two payment periods, the adjustment of the unpaid balance of the amount financed is postponed still another payment period, and so forth.

### (B) INSTRUCTIONS AND EQUATIONS FOR THE ACTUARIAL METHOD

#### (1) General Rule

The annual percentage rate shall be the nominal annual percentage rate determined by multiplying the unit-period rate by the number of unit-periods in a year.

#### (2) Term of the Transaction

The term of the transaction begins on the date of its consummation, except that if the finance charge or any portion of it is earned beginning on a later date, the term begins on the later date. The term ends on the date the last payment is due, except that if an advance is scheduled after that date, the term ends on the later date. For computation purposes, the length of the term shall be equal to the time interval between any point in time on the beginning date to the same point in time on the ending date.

#### (3) Definitions of Time Intervals

(i) A period is the interval of time between advances or between payments and includes the interval of time between the date the finance charge begins to be earned and the date of the first advance thereafter or the